STATE OF CALL CENTER AUTHENTICATION SURVEY

Forrester Fraud and Consumer Friction Survey

- **26%** Insurance
- **24%** Financial Services
- **24%** Ecommerce/retail
- **26%** Contact center provider

Legend:
- Financial Services
- Ecommerce/retail
- Contact center provider
- Insurance
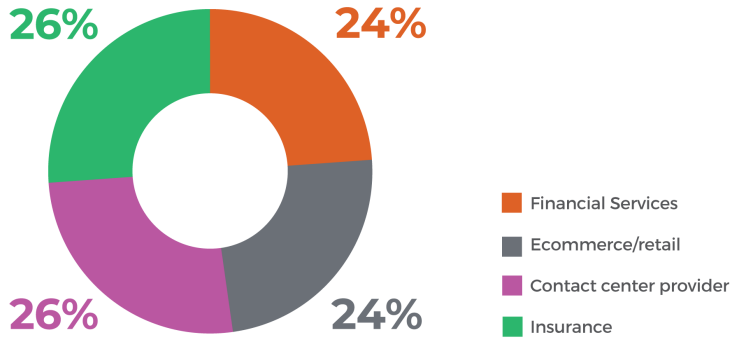
- Source: A commissioned study conducted by Forrester Consulting on behalf of Neustar
- Fielded in November, 2018
- Base: 204 fraud management, authentication and CX decision makers in North America.
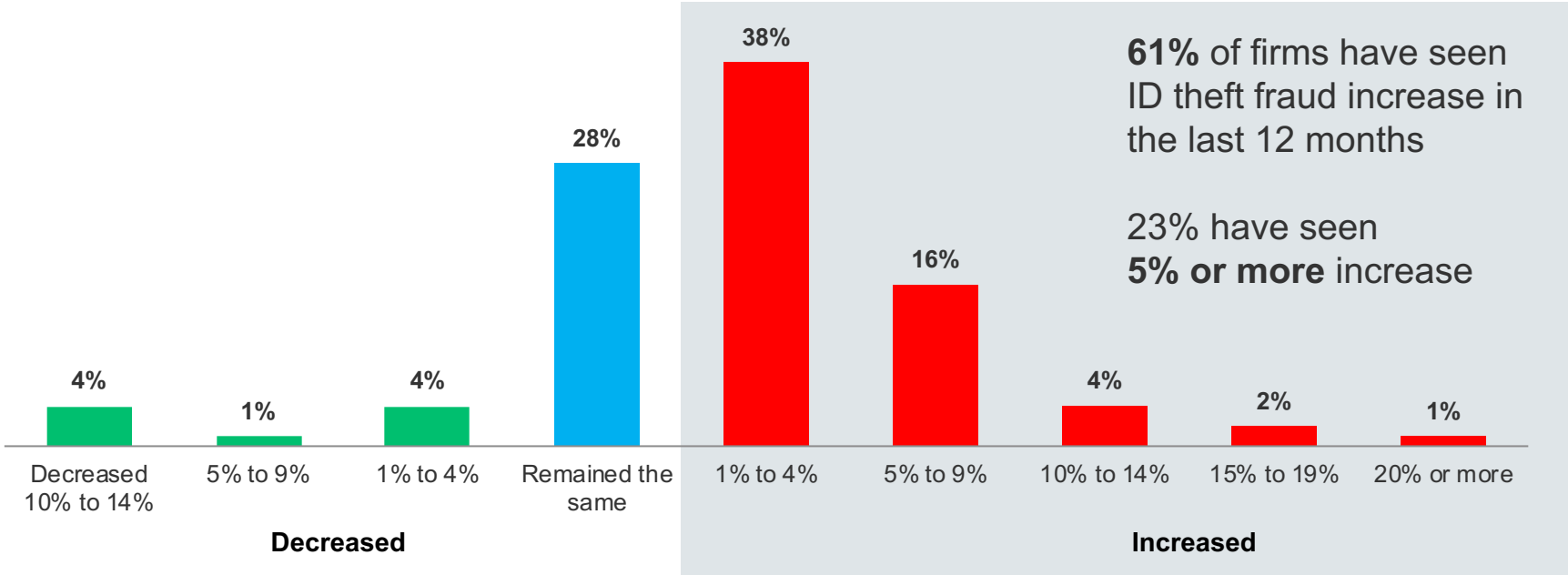
TRUSTID State of Call Center Authentication Survey

- **24%** Other
- **31%** Financial Services
- **4%** Telecom
- **5%** Ecommerce/retail
- **8%** Consulting
- **11%** Healthcare
- **17%** Technology

Legend:
- Financial Services
- Technology
- Healthcare
- Consulting
- Telecom
- Ecommerce/retail
- Other
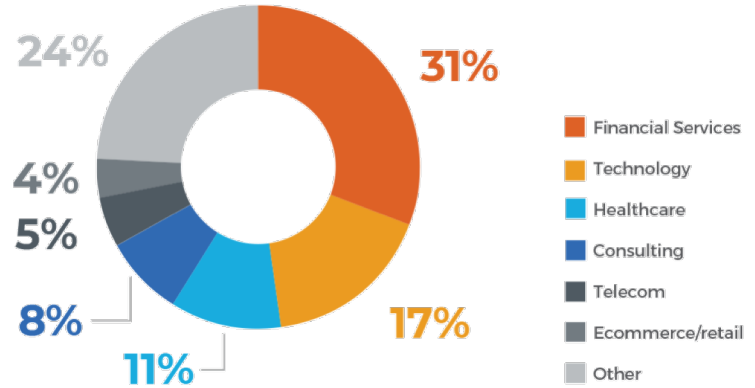
- Source: Joint effort of TRUSTID and Customer Contact Week
- Fielded in January of 2019
- Base: 134 contact center operations, customer experience, sales and marketing decision makers with 60% in North America

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IDENTITY-BASED FRAUD INCREASING

**Compared with the previous 12 months, has identity theft and/or fraud increased, decreased, or remained the same?**

61% of firms have seen ID theft fraud increase in the last 12 months

23% have seen **5% or more** increase

4%	Decreased 10% to 14%	
1%	5% to 9%	
4%	1% to 4%	
28%	Remained the same	
38%	1% to 4%	
16%	5% to 9%	
4%	10% to 14%	
2%	15% to 19%	
1%	20% or more	

Decreased
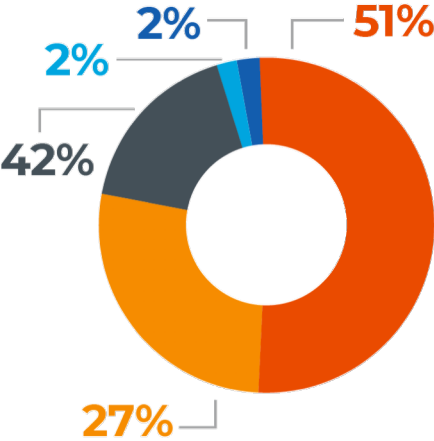
Increased

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WHERE DO FRAUDSTERS ATTACK?

Channel for fraudulent account take overs

Non-financial services
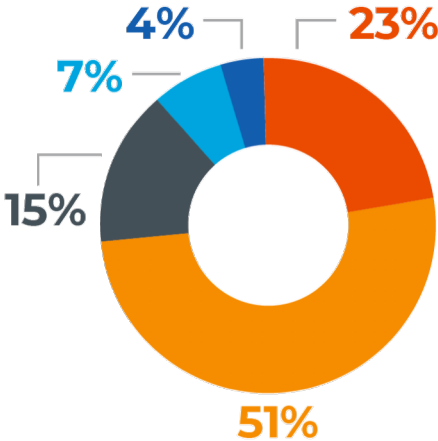
Financial services

- Call center
- Website
- Mobile application
- Retail location
- Other

Call centers are now the vector of choice for criminal attacks in financial services

Source: TRUSTID, "State of Call Center Authentication," 2019

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HOW DO FRAUDSTERS ATTACK?

Threats posed by criminals where there is much more activity

Spoofing — 32%

Virtual calls — 40%

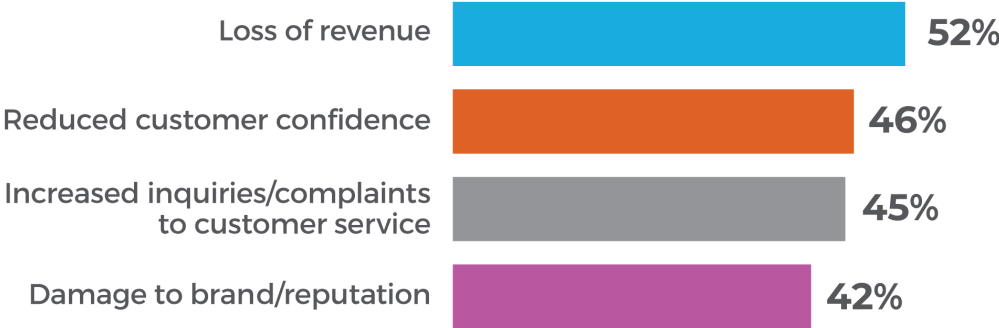Virtual calling is the fastest growing threat from fraudsters

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REVENUE AND CONSUMER CONFIDENCE MOST IMPACTED

What impact did this incident or incidents of fraud have on your organization?

Loss of revenue — **52%**

Reduced customer confidence — **46%**

Increased inquiries/complaints to customer service — **45%**

Damage to brand/reputation — **42%**

Broad impacts: Average # of impacts selected = 5

Source: A commissioned study conducted by Forrester Consulting on behalf of Neustar, "Mitigate Fraud And Consumer Friction with Integrated IDV," 2019

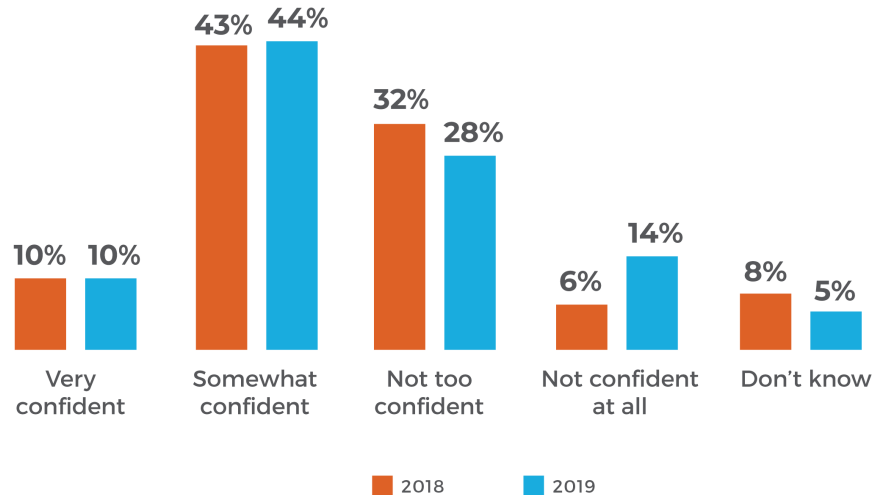# FRAUD STRATEGIES RELYING ON PII ARE LIKELY TO FAIL

73%
of fraud instances
involved PII

Source: A commissioned study conducted y Forrester Consulting on behalf of
Neustar, "Mitigate Fraud And Consumer Friction with Integrated IDV," 2019

CONFIDENCE IN KBA FADING

How confident are you that knowledge-based authentication alone can accurately authenticate your customer callers?

	Very confident	Somewhat confident	Not too confident	Not confident at all	Don't know
2018	10%	43%	32%	6%	8%
2019	10%	44%	28%	14%	5%

■ 2018 ■ 2019

4 in 10 respondents lack confidence in KBA accuracy

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AUTHENTICATION FRUSTRATION GROWS

Satisfaction with current method to authenticate callers

	Somewhat/Very Satisfied	Somewhat/Very Unsatisfied	Don't Know
2018	63%	31%	6%
2019	49%	46%	5%
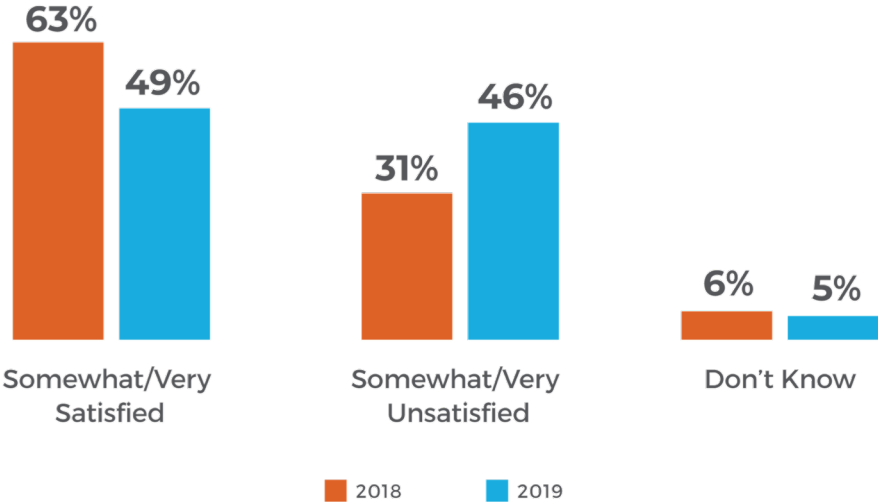
Frustration with authentication grows

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# FRAUD VS. FRICTION: ROCK AND A HARD PLACE

83%

**of consumers experienced
friction logging into their account**

- 10% said this gave them a negative view of their bank

- 3% switched banks as a result
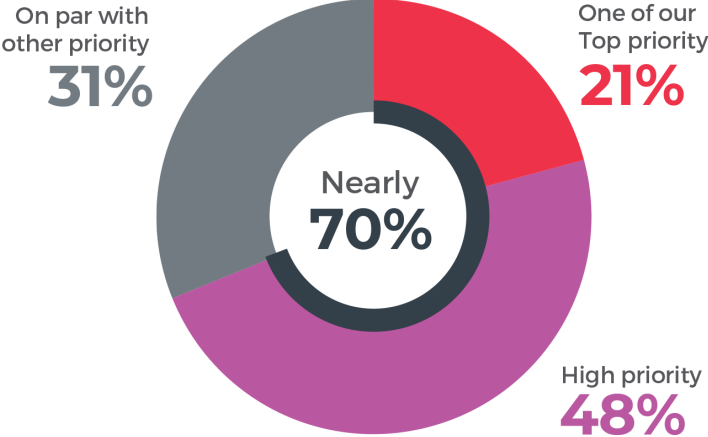
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THERE IS OPTIMISM FOR A SOLUTION AND WILLINGNESS TO INVEST

Respondents who believe it's possible to prevent ATOs without obstructing the customer experience

Don't know
16%

No
8%

Yes
76%
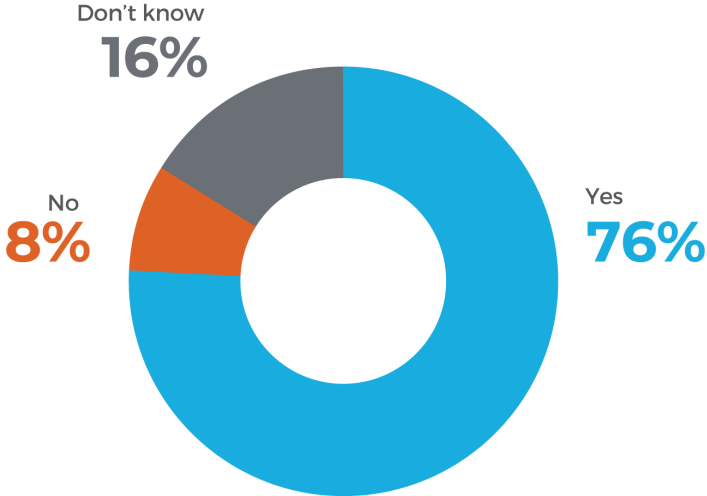
Priority for Reducing or Preventing Fraud

On par with other priority
31%

One of our Top priority
21%

Nearly
70%

High priority
48%

Source: TRUSTID, "State of Call Center Authentication," 2019

Source: A commissioned study conducted by Forrester Consulting on behalf of Neustar, "Mitigate Fraud And Consumer Friction with Integrated IDV," 2019

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TOP REQUIREMENTS FOR NEW TECHNOLOGY

Technology benefits rated as Very + Somewhat important

Benefit	Percentage
Easy and quick to enroll	91%
Improves fraud detection	91%
Authentication accuracy	90%
Seamless for customers	88%
Agent time	87%
Agent job satisfaction	85%
Reduces operating costs	82%
IVR self-service	77%

Source: TRUSTID, "State of Call Center Authentication," 2019
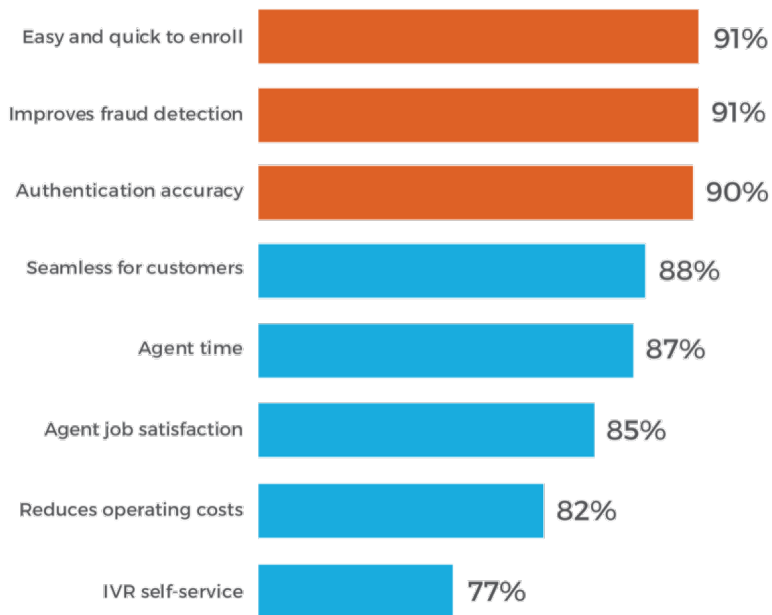
Easy and quick enrollment remains requirement #1 for the second year in a row

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WHEN SHOULD WE AUTHENTICATE?

Preferred time to complete authentication

	2018	2019
Before the call is answered	38%	54%
During use of IVR system	39%	21%
During an agent conversation	18%	21%
Don't know	6%	4%

Source: TRUSTID, "State of Call Center Authentication," 2019
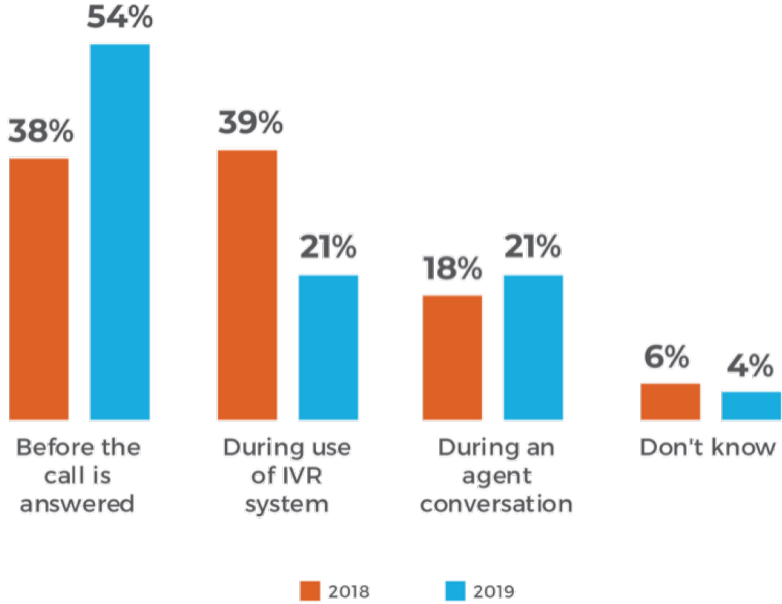
Quick and early authentication rules the day

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THE PATH FORWARD

Approach to use of multi-factor authentication

2018
- 36%
- 12%
- 36%
- 8%
- 8%

2019
- 27%
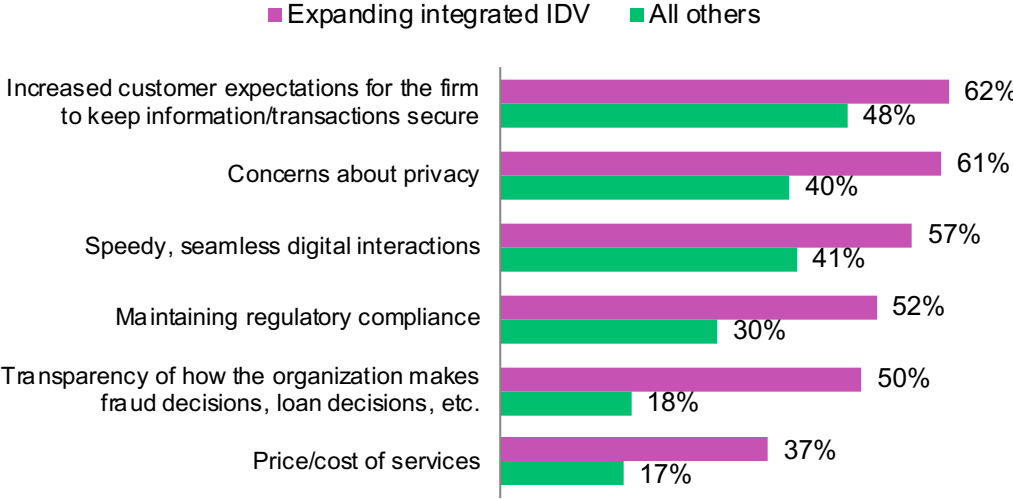- 10%
- 39%
- 7%
- 17%
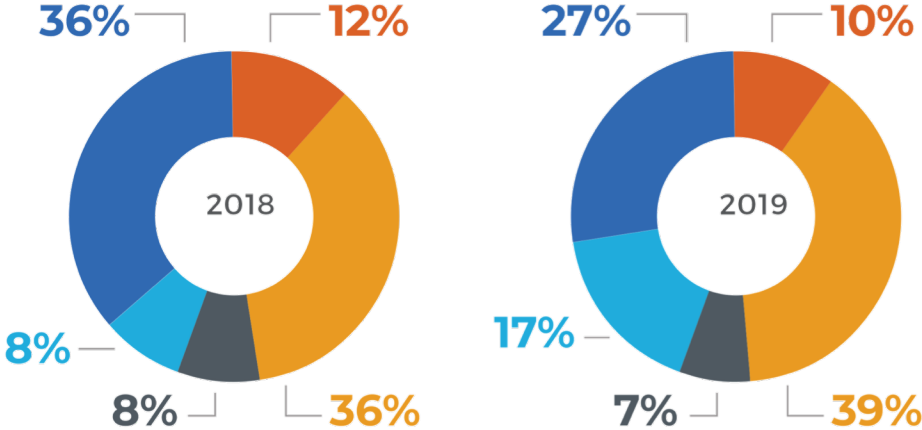
Legend:
- Keep using KBA
- Supplement KBA with one new technology approach to create a two-factor approach
- Replace KBA with a new single-factor technology approach
- Replace KBA entirely with a new two-factor technology approach
- Don't know

Plans for true multi-factor authentication double

Source: TRUSTID, "State of Call Center Authentication," 2019

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FIRMS EXPANDING INTEGRATED IDENTITY VERIFICATION (IDV) ARE MUCH MORE DRIVEN TO SUPPORT CUSTOMERS AND OPERATIONAL EXCELLENCE

Which of the following customer expectations are influencing the way your firm detects fraud?

■ Expanding integrated IDV   ■ All others

Category	Expanding integrated IDV	All others
Increased customer expectations for the firm to keep information/transactions secure	62%	48%
Concerns about privacy	61%	40%
Speedy, seamless digital interactions	57%	41%
Maintaining regulatory compliance	52%	30%
Transparency of how the organization makes fraud decisions, loan decisions, etc.	50%	18%
Price/cost of services	37%	17%

Organizations

using IDV care more about CX, privacy, compliance, efficiency and fraud

Source: A commissioned study conducted by Forrester Consulting on behalf of Neustar, "Mitigate Fraud And Consumer Friction with Integrated IDV," 2019

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TAKE AWAY POINTS

Criminals are increasing attacks on call centers by attempting to beat identity based verification methods

Both business and customers are frustrated with the status quo

Contact center professionals are optimistic the problem will be solved and stand ready to invest in solutions

Solutions need to be widely adopted, accurate and work quickly to identify real customers

There is growing acceptance of new technologies that can augment or be used instead of KBA in multi-factor authentication solutions

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